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C O N F I D E N T I A L SECTION 01 OF 03 KUWAIT 000430

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STATE FOR NEA/ARP, NSC FOR RAMCHAND

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TAGS: [PGOV](#) [PREL](#) [KISL](#) [KU](#) [NATIONAL ASSEMBLY](#)
SUBJECT: NEW CABINET FORMED: SIX NEW MINISTERS, TWO WOMEN,
AND ONE RIHS LEADER

REF: KUWAIT 317

Classified By: Ambassador Richard LeBaron for reasons 1.4 (b) and (d)

¶1. (C) Summary and comment: After three weeks of consultations, the Prime Minister announced March 25 the formation of a new Cabinet, which includes six new ministers and, for the first time in Kuwait's history, two women. The Cabinet reshuffle is unlikely to affect significantly any key U.S.-Kuwait bilateral issues. Critical portfolios such as Defense, Interior, Oil and Foreign Affairs remain with long-serving ruling family members. The Cabinet also includes three Islamists, among them a founding member of the Revival of Islamic Heritage Society (RIHS). Most observers see the long negotiation period and its outcome as an attempt by the Amir to strike a stable balance among the competing political factions that emerged emboldened from parliamentary elections last June. One prominent human rights activist said the Prime Minister's consultations represented a "turning point" in Kuwait's political process by recognizing the important role played by political blocs both inside and outside Parliament. Some contacts agreed that this was a "stable," "non-confrontational" Cabinet that could work more effectively with Parliament, while others argued that the appointment of individuals from opposite ends of Kuwait's political spectrum could create problems that would lead to a quick collapse. We believe it unlikely that the personnel changes alone will be enough to improve the Parliament's rocky relationship with the Government. Unless the Government exercises stronger leadership, the cycle of confrontation with Parliament will likely continue and come to a head once again in the fall. End summary and comment.

Long Wait Over for New Cabinet

¶2. (C) Prime Minister Shaykh Nasser Mohammed announced March 25 the formation of a new Cabinet that included six new ministers, five ruling family members, two parliamentarians, two women, two Shi'a, and three Islamists, including one Salafi, who according to several contacts is one of the founding members of the Revival of Islamic Heritage Society (RIHS), a Kuwait-based Salafi Islamic charity whose branches in Afghanistan and Pakistan were designated by the U.S. and UN in 2002 for involvement in terrorist financing activities. Dr. Ismail Al-Shatti, a controversial minister affiliated with the Islamic Constitutional Movement (ICM), the political arm of the Kuwaiti Muslim Brotherhood, was not re-appointed, but the ICM's Official Spokesman was appointed instead, giving the ICM official representation in Cabinet. (Note: The ICM claimed during his tenure that Al-Shatti had been expelled from the organization, but then strongly lobbied for his re-appointment. End note.) The Energy Ministry was split into an Oil Ministry and a Ministry of Electricity and Water, reflecting the need to give greater attention to both files. The Ministry of Public Works was separated from the

Housing Ministry. The new Cabinet is expected to be sworn in before Parliament on April 2. (Note: This is a formality; Parliament has no role in approving the ministers. End note.)

13. (C) The Prime Minister's announcement came after an unusually long consultation period, an indication of the ruling family's uncertainty about how to handle the increasingly assertive Parliament. Another reason for the delay was the reluctance of many prominent Kuwaitis to join the Cabinet, marking them as a target for opposition parliamentarians. MG Saber Al-Suwaidan told Emboffs March 25 that one of his friends, a former minister, had been offered the post of Deputy Prime Minister and was told he could choose three ministers himself, but still turned down the position. Other contacts told us they were offered ministerial portfolios, but declined, preferring to retain their current positions rather than face a potentially unpleasant confrontation with Parliament. (Note: It was Parliament's attempts to interrogate, or "grill," members of the previous Government that led to its collapse. End note.)

Generally Positive Reaction, Despite Some Concerns

14. (C) Immediate reactions to the new Cabinet were generally positive. Liberal MP Ali Al-Rashed, speaking to local press on behalf of Parliament's 8-member National Action Bloc, expressed support for the new Cabinet and said it was "satisfactory." Shi'a MP Ahmed Lari from the 7-member Popular Action Bloc similarly expressed support for the new Cabinet. Shi'a political leader Abdul Hussein Al-Sultan told Political Specialist the Cabinet incorporated people from a variety of different political groups, and was therefore "non-confrontational" and "insulated from grillings."

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Prominent human rights activist Ghanem Al-Najar told local press that the Prime Minister's consultations were the first of their kind and represented an implicit recognition of the expanding role of political blocs in Kuwait's political system. He believed the inclusion of ministers linked to various political blocs made the Cabinet "stable," but said the challenge now was for the Government to outline a development strategy acceptable to Parliament.

15. (C) Some Kuwaitis, however, were less enthusiastic about the new Government. ICM Political Relations Chief Mohammed Al-Dallal praised the expanded involvement of the political blocs in the Cabinet formation process, but criticized the Prime Minister for choosing individuals and not a team. Ibrahim Al-Marzouk, an Islamist Parliament staffer, told Poloff he was "shocked" that two "extremists" -- Minister of Education Nouriya Al-Sabih ("extreme liberal") and Minister of Communications Shireeda Al-Mousharji ("extreme conservative") -- were appointed to the Cabinet. He claimed Al-Mousharji was "one of the three main leaders of RIHS," along with Tareq Al-Issa and Khaled Sultan. Al-Marzouk said the Cabinet was "really backwards" compared to previous ones and "many people have the impression that it will not last."

Economic Impact

16. (C) From an economic standpoint, the new line-up does not portend any significant changes in policy though some of the realignments could significantly impact management and execution. Two key portfolios -- Commerce/Industry and Finance -- remain unchanged. The Minister of Social Affairs and Labor, an important contact on terrorism financing and the regulation of charities, is also unchanged. The shift to the health portfolio of former Communications Minister Dr. Ma'souma Al-Mubarak, a strong ally on aviation and telecom issues for us, is a loss to the Communications Ministry but will likely improve management at the Health Ministry, especially with regard to Avian Flu response. His "extreme conservatism" notwithstanding, new Communications Minister

Al-Moushirji appears to lack credentials, apart from his U.S. education, in the key communications portfolios. His professional background may be better suited to his dual-hatted role as Minister of State for Parliamentary Affairs and will likely diminish his oversight of communications issues.

17. (C) The splitting of the energy portfolio into oil and electricity/water was expected and is a positive development that should allow the Oil Minister to focus on the critical issues of increasing oil and gas production (hopefully by inviting more assistance from international oil companies) without being bogged down by this summer's impending electricity and water shortages. The new Minister for Electricity and Water, Mohammed Al-Elaim, is an Islamist who will immediately be confronted with an electricity and water crisis likely to start in early June and extend through August. At this point, there are no longer any supply-side measures the Minister can take before the summer to avoid major disruptions, which are the result of years of underinvestment and unrestrained growth in consumption. Perhaps the Minister's strong engineering background will enable him to better identify and implement medium and long-term solutions to avoid further outages from 2008 onward. It is noteworthy that the Housing and Public Works portfolios have been split, and that Public Works is now being combined with Municipal Affairs. Municipal Affairs is responsible for the planning and permitting involved in major development projects whereas Public Works is responsible for execution. Ideally, the combination could result in better coordination, reduced bureaucracy, and faster implementation. The new Minister of Public Works and Municipal Affairs, Moussa Al-Sarraf, has a strong background in civil engineering and urban planning and is well respected by career professionals within the ministries.

18. (C) The separation of Housing is a mixed blessing. The Housing Ministry is responsible not only for planning new housing developments but also for managing Kuwait's bloated subsidized housing program for Kuwaiti citizens. The separation could liberate the Public Works Ministry from the onerous and politically-charged task of assigning homes and managing citizens, complaints about housing, but the separation could also result in weaker coordination in the planning and construction of new housing developments and the infrastructure required to support them.

Composition of New Cabinet

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19. (C) -- Prime Minister (No Change): Shaykh Nasser Mohammed Al-Ahmed Al-Jaber Al-Sabah

-- First Deputy Prime Minister, Minister of Defense, and Minister of Interior (No Change): Shaykh Jaber Al-Mubarak Al-Hamad Al-Sabah

-- Deputy Prime Minister and Minister of Foreign Affairs (No Change): Shaykh Dr. Mohammed Al-Sabah Al-Salem Al-Sabah

-- Deputy Prime Minister and State Minister for Cabinet Affairs (New): Faisal Mohammed Al-Hajji, a prominent liberal and former Minister of Social Affairs and Labor.

-- Minister of Finance (No Change): Bader Al-Humaidhi

-- Minister of Oil (New): Shaykh Ali Al-Jarrah Al-Sabah, previously Minister of Energy.

-- Minister of Communications and State Minister for National Assembly Affairs (New): Shireeda Abdullah Saad Al-Mousharji, previously the Administrative Secretary of the National Assembly, a position he was allegedly promoted to as part of a deal MP Ahmed Saadoun made with Salafi politicians when he

was Speaker of Parliament. Al-Mousharji received a master's degree in Business Administration from Hartford University, Connecticut in 1980.

-- Minister of Social Affairs and Labor (No Change): Shaykh Sabah Al-Khaled Al-Sabah

-- Minister of Information (New): Abdullah Saud Al-Muhailbi, previously the State Minister for Municipal Affairs. He is from the Awazim tribe.

-- Minister of Justice and Minister of Awqaf and Islamic Affairs (No Change): Dr. Abdullah Maatouq Al-Maatouq, a moderate Islamist with Sufi leanings.

-- Minister of State for Housing Affairs (New): Abdul Wahid Al-Awadi, a pro-Government MP.

-- Minister of Commerce and Industry (No Change): Falah Fahad Mohammed Al-Hajeri, an Islamist MP from the Hawajer tribe.

-- Minister of Electricity and Water (New): Mohammed Abdullah Al-Elaim, the Official Spokesmen of the ICM and a former MP. He is from the Mutair tribe.

-- Minister of Health (New): Dr. Ma'souma Al-Mubarak, previously Minister of Communications. She is one of two Shi'a in the Cabinet.

-- Minister of Public Works and Minister of State for Municipal Affairs (New): Moussa Hussein Abdullah Al-Sarraf, a career bureaucrat in the Municipal Council. Al-Sarraf is one of two Shi'a in the Cabinet. He received a degree in Civil Engineering from the University of Toledo, Ohio.

-- Minister of Education and Minister of Higher Education (New): Nouriya Al-Sabih, a prominent liberal and a former Assistant Undersecretary at the Ministry of Education. Al-Sabih is one of two women in the Cabinet and is well known to the Embassy PD section from her previous post at the Ministry.

110. (U) Full bios on the new Cabinet members will be available on our classified website March 27.

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LeBaron